GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:4592
ANSWERED ON:25.08.2005
MARKETING OF LPG BY PRIVATE COMPANIES
Singh Shri Sugrib

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government proposes to allow new companies for marketing of Liquefied Petroleum Gas in the country ;

(b) if so, the details thereof ;

(c) the criteria for allocation of areas to such new companies ; and

(d) the time by when these companies will start their marketing of LPG ?

Answer

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (d) : In addition to the Public Sector Oil Marketing Companies (OMCs) who are marketing LPG in the country, since April 1993 Government have allowed private sector companies to participate in the scheme of parallel marketing of LPG, under which these companies can import LPG and sell it at market-determined prices.

The Government have also authorized Oil and Natural Gas Corporation (ONGC), GAIL (India) Limited (GAIL) and Reliance Industries Limited (RIL) to market indigenously produced LPG in the country, subject to the following :-

(i) Sale of LPG in the Urban and Rural markets would be in the ratio of 75:25.

(ii) Sale of LPG in domestic and non-domestic (bulk or packed segment) would be in the ratio of 80:20.

(iii) The above ratios of sale of LPG in Urban-Rural and domestic/non-domestic segments may be reviewed by the Government from time to time and the authorized companies would be bound by Government directions in this regard.

(iv) ONGC, GAIL and RIL would have to strictly adhere to the provisions of the LPG (Regulation of Supply and Distribution) Order, 2000 dated 26.4.2000 and the LPG (Regulation of Use in Motor Vehicles) Order, 2001 dated 1.8.2001 for sale of LPG in domestic and non-domestic markets.

The authorized Private companies as well as Government oil companies are free to set up LPG distributorships in accordance with their commercial considerations in urban and rural areas.